

Business Location Facts
Location in District # 13

Corporate Information: Raytheon Technical Services Company LLC
2603 Challenger Tech Court, Suite 150
Orlando, FL 32826

Category: Attraction

Location: 1001 Cheri Way Louisville, KY 40118

Web Site: www.raytheon.com

Business/Project Description: Raytheon Technical Services Company (“RTSC”) has secured a ten-year \$10 billion government contract to handle supply chain management for Army & Marine Training Equipment. Most of the warehouse contents are electronic battlefield equipment, and described to us as “Laser Tag on Steroids”. As part of the contract RTSC will manage procurement, some R&D, technical repair, equipment upgrades and modifications. The majority of the equipment is distributed outside of the United States.

A small segment of this operation had been managed by Pulau Electronics Corporation in a division warehouse in Radcliff, KY. There are currently 55 employees at this location. All of them will be offered the opportunity to transfer to the new location. In addition to the 55 employees, there will be an additional 45 hired, bringing the total potential of new employees to Metro Louisville at 100.

Raytheon received preliminary KJDA approval to expand the Radcliff, KY location in February 2007. Their plan was to build-to-suit a 150,000 sf industrial warehouse. Due to a lawsuit filed by the losing bidder of the contract, Raytheon could not commit to a developer until that lawsuit was resolved. The delay kept Raytheon from being able to do a build-to-suit in Radcliff in time to open the operations in early 2008. Hence, they need to locate where there space is immediately available.

Jefferson County has a brand new building located at 1001 Cheri Way, which is in the Northeast corner of the intersection of National Turnpike and the Gene Snyder Freeway that can accommodate this operation. RTSC has hundreds of thousands of square feet of available, owned or leased, scattered through the USA. The largest of this space is in Ft. Wayne, IN. RTSC is under enormous pressure to locate there. Without KJDA, they will locate in Ft. Wayne. Other cities considered were Pomona, CA, Orlando, FL, Indianapolis, IN, McKinney, TX, and Kansas City, KS.

Raytheon will spend \$1,561,544 in start-up costs. The landlord will spend an additional \$1.8 million in tenant improvement to accommodate RTSC’s requirements. The average salary of this workforce is \$42,644. The lowest wage in the facility will be \$15.02 per hour. Raytheon will also outsource parts of the operation to sub-contractors, also located in the same building. This subcontract work is what is currently being managed by Pulau.

Primary Incentive requested: ☒ KJDA ☐ KIDA ☐ KEIA (future application)
☐ OTHER(s)

Local Participation: The recommended local occupational tax participation level is **1%**.

KEDFA Proceedings:

Preliminary Approval Date: February 22, 2007
Amendment to Application Date: January 31, 2008

Final Approval Date:
Activation Date:

March 2008
TBD

Projected Investment and Employment:

Existing Radcliff Employment: **55**
Jobs to be created at activation: **45**
Average F/T Salary: **\$42,644**

Total Square Footage: **150,000**
Ultimate Investment: **\$1,561,544**
New Metro Louisville Payroll: **\$4,264,400**

Local Annual Economic Impact at Activation (year one):

	Direct Impact (spin-off)	Total Impact
Projected tax revenues	\$76,898*	\$154,014*
*Local KJDA benefits	\$19,190	\$19,190
Net benefit to community (Local new taxes, less incentives)	\$57,708	\$134,824

*The Direct & Total Impact are based on 100 new Metro Louisville jobs. However, because there are existing workers in Radcliff, KY, the local KJDA benefits are only figured on 45 new Kentucky employees. Hence, the local impact is greater than the local participation. The Kentucky to Metro Louisville Participation Ratio remains 80% from Kentucky with 20% from Metro Louisville.